

Gov's office not serious about CHIP donations proposal

By BOB ANEZ - Associated Press Writer - 11/30/04

HELENA - Martz administration officials said Monday they were not serious in proposing a health insurance program for poor children rely on millions of dollars in uncertain private donations to meet the growing demand for coverage.

That recommendation, contained in Gov. Judy Martz's budget prepared for the 2005 Legislature, was meant only as a "placeholder" solution until Initiative 149 passed in the Nov. 2 general election, said Bob Anderson, an analyst in the governor's budget office.

The ballot measure increases taxes on tobacco products and directs some of the additional money be used to expand the Children's Health Insurance Program, or CHIP.

Anderson said the budget, completed before the election, could not count on money from an unapproved initiative.

Chuck Swysgood, Martz's budget director, said the departing administration endorses use of I-149 money to help expand CHIP.

Anderson acknowledged the formal budget, which contemplated the state receiving \$4.8 million in donations for the program, was not intended as a serious suggestion. It was meant to convey the administration's desire to see CHIP get increased spending authority, he said.

"We don't ever anticipate getting that much" in donations, he added.

The amount of money CHIP can expect from Montana's annual share of a multistate settlement with the tobacco industry has declined and the administration did not want to propose replacing those dollars with money from the general fund, Anderson said.

David Ewer, budget director for Gov.-elect Brian Schweitzer, said he supports tapping the initiative proceeds for the CHIP expansion mentioned in the Martz budget. I-149 contains no specific amount for the program, but says that 44 percent of the estimated \$38 million a year in increased taxes be funneled into various health care programs.

CHIP insures 10,900 children from families whose income is below 150 percent of the federal poverty level. About 200 children are on the program's waiting list.

The administration proposed increasing general fund support for the program from \$492,000 to about \$1.6 million a year to help offset a sharp decline in tobacco settlement money from \$2.6 million to about \$850,000 annually. In addition, the budget contemplates receiving nearly \$5 million in donations.

The proposal would increase total state funding for CHIP from \$3.15 million last year to \$5.13 million in 2007. The money is used as a 4-to-1 match to obtain federal money

That would be enough to expand enrollment in the program to about 15,000 children, according to the legislative fiscal division.

Mary Caferro, a lobbyist for the low-income group Working for Equality and Economic Liberation, said she never put much stock in the budget's reference to donations for CHIP.

"When I looked at the budget, it was clear that the donations were not going to work," she said. "We cannot count on that much money from donations. I expected they would count on 149 money."

Caferro said advocates for the poor will fight to ensure a portion of the initiative's proceeds are used to expand CHIP and that none of the added money is spent just to maintain the existing level of enrollment. That is the intent expressed in I-149, she noted.

And she is not expecting a difficult fight because of the bipartisan popularity of the insurance program.

"CHIP has public support on both sides of the aisle, it's excellent economic development for Montana because of the 4-to-1 match, it helps rural Montana, and helps improve children's access to health care," said Caferro, a Democrat elected to the House this month.

"The makeup of the Legislature this session will be responsive to what the voters intended" in passing I-149, she said.

However, under the administration plan, about \$1 million of the proceeds from the initiative would be used just to sustain the current level of CHIP coverage.